



EPA REGION 2 FISCAL YEAR 2002 GRANT GUIDELINES FOR PART 30 APPLICANTS

Please note that the assistance agreement document represents the legal agreement between EPA and you as the grantee regarding approved funding, project period, budget, and workplan. The approved assistance agreement includes the agreement document and the approved application documents incorporated by reference, as noted in the "Offer and Acceptance" block in Part IV of the agreement document.

UPON RECEIPT OF ASSISTANCE AGREEMENT:

- () Check the Federal dollar amount awarded
- () Check the required non-Federal matching share
- () Check the project and budget periods
- () Check the approved object class budget category amounts (Part II, Table A in the agreement document)
- () Check all terms and conditions included

ON AN ONGOING BASIS:

- () Establish and maintain financial management and recordkeeping systems
- () Discuss any project changes with the EPA Project Officer; if changes are deemed necessary, request them in writing to the Project Officer with a copy to the Grants Management Specialist.
- () Comply with all terms and conditions included in the agreement document

PERIODICALLY, AS REQUIRED:

- () Request payment (Standard Form 270, "Request for Advance or Reimbursement")
- () Submit the "MBE/WBE Utilization Under Federal Grants, Cooperative Agreements, and Interagency Agreements" form (quarterly to Grants and Contracts Management Branch).
- () Submit the Financial Status Report (annually, or as required by terms and conditions in agreement, to the Grants and Contracts Management Branch)
- () Have an audit performed (annually, if required). A recipient who expends more than \$300,000 annually in Federal funds is required to have an independent audit

performed in accordance with Office of Management and Budget (OMB) Circular A-133.

- () If equipment purchase is an approved budget item, perform an inventory of equipment (once every two years, or more often if required).

ACCORDING TO THE TIME PERIOD SPECIFIED IN THE AGREEMENT TERMS AND CONDITIONS:

- () If a project extension is needed, submit a written request for extension, if applicable and if it can be justified.

WITHIN 90 DAYS AFTER PROJECT'S END:

- () Submit the Final Project Report, and any other reports required under the agreement, to the Project Officer, or submit written extension request(s) for submitting the report(s).
- () Liquidate all obligations incurred under the award, or request an extension from the Grants and Contracts Management Branch, providing a justification and target date.
- () Submit the Final Financial Status Report to the Grants and Contracts Management Branch (unless an extension for liquidating obligations has been granted; in that case, submit Interim Financial Status Report and subsequently submit Final Financial Status Report by the date granted in the extension).
- () Submit certification that none of the grant funds were used to engage in lobbying of the Federal Government or in litigation against the United States.

REGION 2 GRANT GUIDELINES

FINANCIAL MANAGEMENT/REPORTING

As a recipient of an EPA assistance agreement you must follow certain management and administrative requirements found in Government/Agency regulations and guidance. To make you aware of some of these requirements and help you comply with them, we are providing the following synopsis. Should you have any questions as to your responsibilities or compliance with these requirements, please contact your Grants Management Specialist listed on your assistance agreement. These general requirements are as follows:

PAYMENT REQUESTS

Reimbursement Method of Payment

Recipients utilizing the reimbursement method of payment must request Federal payments by completing Standard Form 270, "Request for Advance or Reimbursement" and submitting it to the EPA Grants and Contract Management Branch. Requests for reimbursement should be submitted on a quarterly basis. However, if the recipient incurs more than \$500 in costs in a given month a request for reimbursement may be submitted to the EPA Grants and Contract Management Branch on a monthly basis. The requests will report cumulative expenditures both (Federal and Non-Federal) incurred under the grant. Such expenditures should be reported in whole dollar amounts. EPA will make payments for allowable expenditures at the ratio shown in the latest Agreement.

Advance Method of Payment (over \$5,000)

In accordance with EPA regulations, the recipient is authorized to receive advance payments under this agreement, provided that the recipient takes action to minimize the time elapsing between the transfer of funds from EPA and the disbursement of those funds. The recipient shall request Federal payments by completing Standard Form 270, (SF-270, "Request for Advance or Reimbursement") and submitting this form to the EPA Grants and Contracts Management Branch.

The initial SF-270 may be submitted along with the formal acceptance of this grant agreement. Subsequent requests shall be submitted at least quarterly but not more than monthly and shall indicate expenditures to-date as well as the recipient's request for funds for upcoming periods. Requests shall be made in whole dollar amounts. Negative payment requests, which report project expenditures, must be submitted every 90 calendar days even if the recipient does not request additional funds. There are no waivers for this reporting requirement.

If funds advanced for a specified period (i.e., first quarter) have not been disbursed within 90 days of issuance, the grantee must provide EPA with a narrative explanation as to why

the funds have not yet been disbursed, along with its submission of the next quarterly payment request. Failure to comply with this condition may result in EPA issuing a Bill for Collection to recover

the unexpended funds or the recipient's method of payment shall be converted from advance to reimbursement.

Advance payment requests shall be limited to the minimum amount needed for the upcoming quarter. Cumulative payments shall not exceed 80% of the amount awarded under this agreement. The remaining 20% shall be requested along with submission of the Final Project Report and Final Financial Status Report.

Advance Method of Payment (\$5,000 and below)

The recipient is authorized to receive advance payments under this agreement. The recipient shall request Federal cash payments by completing Standard Form 270, "Request for Advance or Reimbursement", and submitting this form to the EPA Grants and Contracts Management Branch. The initial request may be submitted along with the formal acceptance of this grant agreement. Requests for payments shall be submitted in whole dollar amounts and shall not exceed 80% of the amount awarded under this agreement. The remaining 20% shall be requested along with submission of the Final Project Report and the Financial Status Report.

Prior Costs

In accordance with 40 C.F.R. §30.25(f)(1), you may charge pre-award cost (both Federal and non-Federal matching shares) incurred up to 90 days prior to the actual award date provided that such costs were contained in the approved application.

Final Financial Status Report and Closeout of the Agreement

In accordance with 40 C.F.R. 30.52(a)(1)(iv), submit to the EPA, Region 2, Grants and Contracts Management Branch, a "final" Financial Status Report (FSR) within 90 days after the end of the Project/Budget Periods. Final FSRs must be prepared in whole dollar amounts.

EPA may extend the due date for submission of a final FSR upon a written request from the recipient. The recipient is required to submit an "interim" FSR to the EPA, Region 2, Grants and Contracts Management Branch, along with this request.

The Administrative Closeout Phase for the grant will be initiated with the submission of a "final" FSR. At that time, the recipient must submit the following forms/reports to the EPA Region 2 Grants and Contracts Management Branch, if applicable.

- Federally Owned Property Report
- An Inventory of all Property Acquired with federal funds

- Final Request for Payment (Standard Form 270)
- Contractor's or Grantee's Invention Disclosure Report (EPA Form 3340-3)

PROJECT MANAGEMENT/REPORTING

Recycled Paper

Pursuant to Executive Order 12873, recipients are to print documents/reports prepared under an EPA award of assistance on recycled paper and double sided.

Resource Conservation and Recovery Act (RCRA)

Any State agency or agency of a political subdivision of a State which is using appropriated Federal funds shall comply with Section 6002 of the Resource Conservation and Recovery Act (RCRA) (42 U.S.C. 6962). RCRA Section 6002 requires that preference be given in procurement programs to the purchase of specific products containing recycled materials identified in guidelines developed by the Environmental Protection Agency (EPA). Current guidelines are contained in 40 CFR 247-254. State and local recipients and subrecipients of grants, loans, cooperative agreements or other instruments funded by appropriated Federal funds shall give preference in procurement programs to the purchase of recycled products pursuant to the EPA guidelines.

No-Cost Time Extension (Project/Budget Period Extension)

In accordance with 40 C.F.R. §30.25(f)(2), you are authorized, without EPA's approval, to extend the project and budget period expiration date(s) for up to 12 months as long as the extension:

- is not prohibited by the terms and conditions of the award;
- does not require additional Federal funds;
- does not involve any change in the approved objective or scope of the project;
- does not extend the project merely for the purpose of using an unobligated balance; or
- is not precluded by a statute or regulation, or is authorized solely on the basis of terms set forth in the statutes.

If you choose this one-time extension, the recipient must submit a written justification and the revised expiration date to EPA at least 10 days before the expiration date of the award document. The submission must be in writing and should be submitted to the EPA, Grants and Contracts Management Branch.

If an extension is not necessary, please submit a final FSR to the EPA, Grants and Contracts Management Branch within 90 days after the project period expiration date.

Publications

EPA encourages the publication of the results of its assistance programs. However, before an assistance recipient may publish these results as an EPA product, it must comply with EPA's publication review process. The following steps must be completed:

- A. The recipient submits three copies of the material it intends to publish to the

EPA Project Officer.

- B. EPA reviews the material and provides the recipient in writing, with any changes it wishes to suggest.
- C. The recipient prepares a revised draft. In so doing, the recipient should make every effort to accommodate the suggestion provided by EPA review.
- D. If EPA agrees that the material is appropriate for publication as an EPA document, the recipient must include the following statement:

The information in this document has been funded wholly or in part by the United States Environmental Protection Agency under assistance agreement (number) to (recipient.) It has gone through the Agency's publication review process and has been accepted as an EPA document. Mention of trade names or commercial products does not constitute endorsement or recommendation of use.

- E. If EPA does not agree that the material is appropriate as an EPA document, the recipient may publish the material for its own use if it includes with the published material the following statement:

Although the information in this document has been funded wholly or in part by the United States Environmental Protection Agency under assistance agreement (number) to (recipient), it may not necessarily reflect the view of the Agency and no official endorsement should be inferred.

- F. EPA also encourages recipients to publish reports independently in refereed journals at any time. (A refereed journal is one which subjects material to review by a panel of experts before publication.) In order to do so, recipients must meet the following requirements:

1. Submit a copy of the material to be published to the EPA Project Officer at the time it is submitted to the journal for publication.
2. After publication, submit three copies of the published material to the EPA Project Officer.
3. Include the following statement in the published material:

Although the information in this document has been funded wholly or in part by the United States Environmental Protection Agency under assistance agreement (number) to (recipient), it has not gone through the Agency's publications review process and therefore, may not reflect the views of the Agency and no official endorsement should be inferred.

- G. The above disclaimer, (F3) must appear in any materials or work products produced as a result of this assistance agreement that have not gone through the Agency's publication review process.
- H. In accordance with 40 CFR 30.36, the Federal Government has an unrestricted right to use any data or information generated using assistance funds or specified to be delivered to EPA in the assistance agreement. The Federal Government has a royalty-free, nonexclusive, and irrevocable license to use any copyrighted data in any manner for Federal Government purposes.

FINANCIAL RECORD KEEPING REQUIREMENTS

As a recipient you must maintain complete, accurate, current and separate official records for each EPA supported project. At a minimum, these records will:

- consist of financial and programmatic records supported by original supporting documentation for all assistance agreement related expenditures;
- ensure that assistance agreement costs will not be commingled with other project costs;
- adequately identify the source and application of funds for EPA supported projects, and provide for effective control and accountability for all funds, property and other assets;
- be supplemented by written procedures to ensure that only reasonable, necessary, allocable, and allowable costs (in accordance with applicable Federal cost principles and the award terms and conditions) are charged to a project;
- be supplemented by adequate procedures to justify and support employee's time charged to a project (see Attachment 1);
- if applicable, track EPA superfund cooperative agreement expenses by site, activity, and operable unit, according to object class;
- consist of procurement and property records and applicable indirect cost rate proposals or cost allocation plans to support project costs; and,
- include progress reports which compare actual accomplishments with goals and objectives. When program or project output can be quantified, such data should be related to cost data for computation of unit costs.

AUDIT REQUIREMENTS

Recipients and their subcontractors, if applicable, must:

- Make all records available to EPA (including the Office of Inspector General) or General Accounting Office personnel for purposes of audits, examinations, and monitoring.

- Make records available to the public if requested under the Freedom of Information Act.
- Have an independent audit performed in accordance with Office of Management and Budget (OMB) Circular A-133, if the annual expenditure of Federal funds exceeds \$300,000.

Financial Reporting Requirements

As a recipient you will be required to submit financial reports. Standard forms and general submittal due dates are listed on Attachment 2.

Record Retention Requirements

Recipients and their subcontractors are generally required to maintain the following project records:

<u>Type of Assistance Agreement</u>	<u>Retention Period (from date of final Financial Status Report)</u>
Grant/Cooperative Agreement	3 years
Superfund Agreements	10 years (unless otherwise directed by EPA you must obtain approval from the award official before destroying any records).
Technical Assistance Grant (TAG)	10 years (at the 10 year mark you may dispose of your TAG financial records with prior written EPA approval, or submit the records to EPA for safekeeping).

If any litigation claim or audit is started before expiration of these periods, records must be retained until all litigation claims or audit findings involving the records have been resolved, final actions taken, and other requirements achieved. State and local government recipients should review 40 CFR part 31.42 for specific exceptions regarding property records; income after the period of support; and indirect cost rate records, including proposals and cost allocation plans.

Internet Access to OMB Circular's and Code of Federal Regulations

A recipient may access OMB circulars and pertinent portions of the Code of Federal Regulations (Title 40-Protection of Environment) via the Internet. Appropriate Internet addresses and helpful Federal publications are listed on Attachment 3.

SALARIES AND WAGE SUPPORT FOR NON-PROFIT ORGANIZATIONS

OMB Circular A-122, Cost Principle for Non-profit Organizations, requires charges for salaries and wages, whether direct or indirect costs, to be based on documented payrolls approved by a responsible official. Distribution of salaries and wages must be supported by personnel activity reports maintained for all professional and nonprofessional staff whose compensation is charged (in whole or in part) directly to the award. Reports must:

- A. reflect an after the fact determination of the actual activity of each employee. Budget estimates (i.e., estimates determined before services are performed) do not qualify as support for charges to the award;
- B. account for total activity for which employees are compensated and which is required in fulfillment of their obligations to the organization;
- C. be signed by the individual employees, or by responsible supervisory officials having first hand knowledge of employee activities; and,
- D. be prepared at least monthly.

Nonprofessional employee salary charges must be supported by records of daily hours worked maintained in conformance with Department of Labor regulations (see Attachment 3). In addition, employee salaries used to meet cost sharing or matching requirements must be supported in the same manner as salaries claimed for reimbursement from awarding agencies.

STANDARD FINANCIAL FORMS

<u>Form Name</u>	<u>Form Number</u>	<u>Due Date</u>
Financial Status Report (FSR)	SF269 or 269A	Quarterly, semi-annually or annually as required by the agreement or as requested. When a no cost time extension is requested. 90 days after the end of the final budget period.
Request for Advance or Reimbursement	SF270	Monthly, quarterly, or annually as required by the assistance agreement.
Federal Cash Transaction Report	SF272	Generally required within 15 days from the end of the semi-annual period.

Listings of Pertinent Federal Publications & Internet Addresses

I. OMB Circulars

A. Cost Principles

<u>No.</u>	<u>Title</u>
A-21	Educational institutions
A-87	State and local governments
A-122	Non-profit organizations

B. Administrative Requirements

A-102	State and local governments
A-110	Institutions of Higher Education, Hospitals & other non-profit organizations

C. Audit Requirements

A-133	State, local governments, and non-profit organizations
-------	--

II. Code of Federal Regulations

Title 40 (Protection of Environment)

<u>Part</u>	<u>Title</u>
30	Uniform administrative requirements for grants and agreements with institutions of higher education, hospitals, and other non-profit organizations
31	Uniform administrative requirements for grants and cooperative agreements to state and local governments
47	National Environmental Education Act Grants

III. U.S. Department of Labor:

See - Laws and Regulations

IV. Selected EPA Region 2 Public Access Pages

EPA Region 2 Main Page:

EPA Main Page

EPA Grant Information

Grant Application Forms

Grant Writing Tutorial